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SUBJECT: TIMORESE PARTIES EXPECT DURATION OF AMP COALITION THROUGH 2012

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CLASSIFIED BY: Hans Klemm, Ambassador, US Embassy Dili, STATE.
REASON: 1.4 (c)

Summary

¶1. (C) A survey of leaders of Timor-Leste's political parties has found broad agreement that the current Alliance for a Parliamentary Majority (AMP) Cabinet is likely to serve its full term of office, barring unforeseen circumstances. However, the February 11 attacks on President and Prime Minister have touched off a united chorus of criticism of the UN Integrated Mission In Timor-Leste - especially its police component, UNPOL - and the Australian-led International Stabilization Force (ISF). Both government and opposition parties have also complained about Prosecutor General Longhinos Monteiro's handling of the investigation into the attacks, citing a lack of transparency. Veteran politician Mario Carrascalao continues to insinuate that Prime Minister Xanana Gusmao may have had a hand in the attacks.

End Summary.

Timor-Leste's major parties

¶2. (C) During a series of meetings since February 29, Poloff held discussions on the National Parliament's views on Timor-Leste's political climate with the following members of parliament (MP): Social Democratic Party (PSD) president Mario Carrascalao, National Unity Party (PUN) president Fernanda Borges, Democratic Party (PD) caucus chair Adriano Nascimento, Timorese Social Democratic Association (ASDT) caucus chair Domingos da Costa, and FRETILIN MP Ana Pessoa. Pol Assistant met with National Congress for Timorese Reconstruction (CNRT) MP Carmelita Moniz. The AMP coalition party membership includes CNRT, ASDT, PSD, and PD. FRETILIN maintains the role of de-facto opposition in spite of their public stance that the current government is illegal and unconstitutional, and PUN is led by one of Parliament's most reliable and thoughtful members.

¶13. (C) Poloff met February 29 with veteran politician Mario Carrascalao, president of the Social Democratic Party (PSD). True to form as the AMP coalition's in-house gadfly, he elaborated on his publicly expressed theories that Prime Minister Xanana Gusmao may have had a hand in the February 11 attack on President Ramos-Horta. In the immediate aftermath of the 2/11 attacks, Carrascalao told the Lusa Portuguese news agency that the attacks against the Prime Minister seemed "staged," and raised eyebrows by adding that "someone powerful" may have coordinated the attacks. His comments made headlines in Timor-Leste's media and raised questions regarding PSD's loyalty to the AMP coalition.

¶14. (C) In his discussion with us, Carrascalao repeated his suspicions that there was a third party involved in the attacks. He pointedly criticized the Prosecutor General's investigation on the attacks, and grimly observed that "grave questions remain unanswered." Questioning Reinado's intent to kill the President, Carrascalao pointed out he was in the midst of ongoing negotiations, and the President was in effect Reinado's only protector. Carrascalao recalled that in a late January meeting between the Prime Minister and the AMP coalition parties, he had questioned the PM on his plans "to politically eliminate" Reinado, and said that were Prime Minister he would bring the rebel back into the F-FDTL and then solve the institutional problems facing the military.

¶15. (C) Carrascalao stressed that before the February 11 attacks, the National Parliament had created a parallel effort to resolve the Reinado problem. In late January, he said, the National

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Parliament's AMP caucus chairs met to create a commission to negotiate with Reinado in efforts parallel to those carried out by the President. This was followed by a February 6 visit to Reinado by ASDT, PD, and PSD members, with the CNRT member excusing himself at the last minute due to having had "a bad dream" the night before about the visit. The trip resulted in chaos when ISF forces patrolling the area where spotted by Lieutenant Salsinha, who fired six rounds to warn off the Australian troops. Allegedly, Reinado told the MPs this was a provocation he would defend himself against, and broke up the meeting under the excuse of "protecting their safety."

¶16. (C) Carrascalao discussed another meeting held at President Ramos-Horta's house on February 7 attended by Mari Alkatiri, Lu-Olo Guterres, Ana Pessoa, Arsenio Bano, Jose Manuel Fernandes, Jose Reis, and Cipriana Pereira from FRETILIN, and Prime Minister Gusmao, Adriano Nascimento, an unnamed ASDT representative, and himself for AMP. He reported telling Gusmao the PSD would accept early elections if constitutional reasons necessitated them, mainly a continuing impasse on resolving the petitioners and internally displaced persons (IDP) issues. Carrascalao stressed that he, the President, and Alkatiri all agreed that the AMP was not moving effectively to resolve these issues. While predicting that the current government would last until elections due in 2012, he warned of the destabilizing potential of not resolving the petitioners and IDP issues.

¶ 17. (C) In a meeting with Poloff on March 1, PUN President Fernanda Borges also predicted the AMP coalition will remain united through 2012, although she also predicted "impunity, impunity, and more impunity" on the road ahead. She also observed that FRETILIN, while still formidable, is weakened and has no choice but to work with the government. On the events of 2/11, she questioned the wisdom behind the President's decision to negotiate directly with Reinado, ignoring the judiciary as an institution. She cited judge Ivo Rosa's order last June for the ISF to capture Reinado and bring him to justice, and the President's response to criticize the judge, ignore the courts, and lean towards a blanket amnesty solution for Reinado and the petitioners. As a result, the rebel's mythical status and ego grew with the unintended devastating consequences witnessed on 2/11. Ms. Borges also criticized the Prosecutor General's investigation, and said that no answers have been given to the public regarding the events, which in turn will fuel only more rumors.

PD: "Are we a democracy?"

¶ 18. (C) In a March 17 meeting with Poloff, PD Caucus chair Adriano Nascimento also predicted the AMP coalition will remain united through 2012, although he questioned the timing for resolving the IDP and petitioners issues. He hesitantly questioned why the Prosecutor General has not given a public update on his investigations into the 2/11 attacks, and wondered why the FBI and Australian Security Service teams that assisted in the investigation "were not heard from again" after working under Monteiro's guidance.

¶ 19. (C) On the ISF and UNPOL forces, he questioned their effectiveness for not preventing the 2/11 attacks given the fact Reinado managed to arrive at the President's doorstep without being intercepted by the ISF forces that allegedly were monitoring him. On UNMIT, Nascimento lamented the fact that "their presence has not been able to stop Timorese from killing Timorese. Are we a democracy if these things still occur?"

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¶ 10. (C) To bolster his critique of the ISF, Nascimento recounted his August 6 trip to Ermera with two other MP's and Benevides Barros, Reinado's lawyer. He described the trip as in response to the NP's decision to initiate dialogue with Reinado to resolve the petitioners' issue. He recounted how Reinado became "hysterical" when members of his group spotted the ISF surrounding the perimeter of his hide-out residence, and Salsinha fired six warning shots. Nascimento noted that he stepped out of the house to meet the ISF troops, who in his judgment "went there to provoke a confrontation to disrupt our meeting with Reinado."

¶ 11. (C) Nascimento ruled out early elections because the only valid reason for these would be a breakdown in the functions of state, which had continued to work effectively following the 2/11 attacks in stark contrast to the breakdown of institutions during the 2006 crisis. He added that stability lies ahead for the country because the lessons of 2/11 are that "violence does

not resolve problems." On FRETILIN, he observed that the party has no choice but to serve as an opposition through 2012, since it cannot effectively undermine the government.

ASDT: "Internal discussions" do not hamper unity

¶12. (C) In a meeting with Poloff on March 18, ASDT caucus chair Domingos da Costa also predicted the AMP coalition will remain united through 2012, dismissed rumors about divisions within his party as "internal discussions" which do not threaten the AMP coalition, and described Mario Carrascalao's recent comments as "not necessarily shared by members of his party (PSD), but not any different from questions held by many Timorese at this time." He also dismissed the possibility for early elections based on the fact that state institutions continued to function after the 2/11 attacks in contrast to the 2006 crisis.

¶13. (C) Mr. Da Costa complained about the Prosecutor General's perceived lack of transparency in providing the Timorese people an update of his investigation. He added that the only information the public receives has come from the local media. He echoed Carrascalao's criticisms "because the government promises to resolve these problems but never does anything about them." However, he accused some petitioners and IDPs of "manipulating events by purposefully prolonging resolution to their problems through excessive demands, or having family members stay in their homes so they can live in the camps and collect government hand-outs." He stressed that the government has taken some solid steps in the right direction by allocating critical funds towards programs to return IDPs to their homes through cash payments, and more investment in education.

CNRT: Minor differences do not splint AMP

¶14. (C) In a meeting with Pol Assistant on March 17, CNRT MP Carmelita Moniz also predicted the AMP coalition will remain united through 2012, and downplayed rumored differences within the coalition as part of the normal political process. She recognized that FRETILIN continues to approach some PD members and sometimes earns their support, but attributed this to some members' close association with FRETILIN which does not reflect the sentiments of rank and file party members. On Mario Carrascalao's PSD, she observed that the party has had some very public positions contrary to the AMP, but the coalition has been able to manage and control his dissent to ensure government unity.

¶15. (C) Moniz is reported to be very close to Prime Minister

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Xanana Gusmao, and she expressed deep concerns about rumors suggesting he may have been involved in the events. She stressed that Gusmao issued orders for the joint F-FDTL/PNTL operations forces not to kill Salsinha because he wants him alive to testify about who orchestrated the attacks.

FRETILIN: "AMP Government a disaster"

¶16. (C) In a March 18 meeting with Poloff, FRETILIN MP Ana Pessoa also predicted the AMP coalition will remain united through 2012, but warned that the government "is a disaster which has failed in every task it has set out to do." Like MP's from other parties, she dismissed the possibility for early elections based on the fact that state institutions continued to function after the 2/11 attacks in contrast to the 2006 crisis. This, she explained, does not mean FRETILIN would not like to see the "illegal and unconstitutional government" disappear from the political scene. But the party is resigned that it must play with the cards it has been dealt.

¶17. (C) Ms. Pessoa also criticized the Prosecutor General for "hiding the facts" from the people, making blanket accusations to the press, such as "a very influential woman is suspected of being behind the attacks," and condemned the arrest of Jose Texeira, a FRETILIN leader and former Minister, as an "illegal act with the intent to intimidate the opposition." She labeled other arrests as having been conducted "with much fanfare followed by sudden silence," such as that of former Reinado legal adviser Angelita Pires. She described Pires as "only a small fish in the pond, not intelligent or smart enough to be the mastermind." She further criticized the Prosecutor General's "lack of seriousness by squandering valuable opportunities" such as the FBI agents provided by the U.S., and concluded the findings will inevitably be inconclusive because different specialists have been assigned to the investigation.

¶18. (C) Ms. Pessoa, the ex-wife of President Ramos-Horta, recalled the three weeks she had spent in Darwin to be near the President. She described him as "psychologically devastated" by the attack. Pessoa said she was outraged that no progress has been made in apprehending Reinado's deputy Salsinha, and charged acting President Lasama's rumored attempts at personal negotiations with Salsinha as an example of what was wrong with Timor-Leste's current political climate: "How can we have faith in the rule of law when it is trampled on so blatantly? All these things are occurring with the ISF and UNMIT in the country."

Comment: Coalition strong, lingering problems remain

¶19. (C) All major political parties in the National Parliament are united in predicting the AMP government will remain in power through the next scheduled elections of 2012. Moreover, they expressed confidence that the violence and social breakdown experienced during the 2006 crisis will not be repeated because the state is prepared this time to prevent such a scenario. While all dismissed premature accusations against anyone in the absence of proof, FRETILIN MP Ana Pessoa was most adamant that it is "irresponsible" to make such speculations. However, all parties also found common ground on criticizing the Prosecutor General for mishandling resources to carry out an effective investigation, and criticized his office for withholding information from the public on the progress of the investigation to allay fears or growing rumors about the attacks. FRETILIN suggested this may be a tool to keep the opposition in check. Even parties within the coalition have raised doubts about the competence of the Prosecutor General.

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